

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

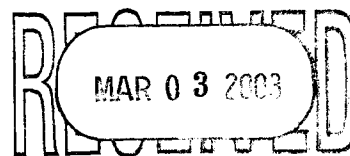
**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-01877A  
Mountain Dell Water, Inc.  
1341 W. Palmer Ave.  
Flagstaff AZ 86001

**ANNUAL REPORT**

ARIZONA CORPORATION  
COMMISSION



**FOR YEAR ENDING**

Director of Utilities

**12    31    2002**

FOR COMMISSION USE

ANN 04 02

*6/12/03  
3/13/03  
C.M.*

## COMPANY INFORMATION

Company Name (Business Name) Mountain Dell Water, Inc.

Mailing Address 1341 Palmer  
(Street)

Flagstaff AZ 86001  
(City) (State) (Zip)

928-774-9550 Same 928-606-4328  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address Same  
(Street)

\_\_\_\_\_  
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

Management Contact: Nick Reznick Pres.  
(Name) (Title)

1525 Palmer Flagstaff AZ 86001  
(Street) (City) (State) (Zip)

928-213-0501 Same 928-606-1153  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: Pete Reznick  
(Name)

1500 Palmer Flagstaff AZ 86001  
(Street) (City) (State) (Zip)

928-774-7805 Same 928-606-4328  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Statutory Agent: Pete Reznick

(Name)

1500 Palmer

(Street)

Flagstaff

(City)

AZ

(State)

86001

(Zip)

928-774-7805

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

928-606-4328

Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Mountain Dell Water, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1000	976	24
307	Wells and Springs			
311	Pumping Equipment	17 877	17 163	713
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	10 897	9647	1250
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	48 260	48260	0
340	Office Furniture and Equipment			
341	Transportation Equipment	5000	5000	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	16558	15921	637
346	Communication Equipment			
347	Miscellaneous Equipment	2000	2000	0
348	Other Tangible Plant	2971	2971	0
	<b>TOTALS</b>	<b>104 563</b>	<b>101 938</b>	

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Mountain Dell Water, Inc.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1000	18 yr	50
307	Wells and Springs			
311	Pumping Equipment	4238	15 yr	286
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	5512	7 yr	570
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1381	5 yr	159
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>12176</b>		<b>1065</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME Mountain Dell Water, Inc.

## BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>ASSETS</b>			
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	\$ 21 002	\$ 20 907
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 21 002	\$ 20 907
<b>FIXED ASSETS</b>			
101	Utility Plant in Service	\$ 134 563	\$ 134 563
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	100 874	101 938
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 33 689	\$ 32 625
	<b>TOTAL ASSETS</b>	\$ 54 691	\$ 53 532

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Mountain Well Water, Inc.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	840	875
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 840	\$ 875
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 840	\$ 875
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 22 000	\$ 22 000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	31 851	30 657
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 53 851	\$ 52 657
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 54 961	\$ 53 532

COMPANY NAME Mountain Dell Water, Inc.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 41 817	\$ 38 995
460	Unmetered Water Revenue		
474	Other Water Revenues	630	600
	<b>TOTAL REVENUES</b>	\$ 42 447	\$ 39 595
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 10 000	\$ 13 427
610	Purchased Water		
615	Purchased Power	7 680	7 456
618	Chemicals		
620	Repairs and Maintenance	1 364	1 869
621	Office Supplies and Expense	4 571	1 444
630	Outside Services	1 396	1 852
635	Water Testing	885	791
641	Rents	5 400	5 400
650	Transportation Expenses		
657	Insurance – General Liability	2 271	2 520
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1 138	80
403	Depreciation Expense	1 861	1 065
408	Taxes Other Than Income	4 163	3 363
408.11	Property Taxes	1 416	1 522
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 42 145	\$ 40 789
	<b>OPERATING INCOME/(LOSS)</b>	\$	\$
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 367	\$ 0
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 367	\$ 0
	<b>NET INCOME/(LOSS)</b>	\$ 669	\$ - 1194



COMPANY NAME Mountain Dell Water, Inc.

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 875

Meter Deposits Refunded During the Test Year

\$ 80

COMPANY NAME

Mountain Dell Water, Inc.

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-802024	15	17		10	2"	1958
55-802025	15	17		10	2"	1975

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1		
15	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	4	2000	1

COMPANY NAME Mountain Dell Water, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Steel Pipe	4000
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	85
3/4	
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

Pump house

Powerhouse

Well houses

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OTHER:

Tanks

Pressure tank

trucks

backhoe

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COMPANY NAME: Mountain Dell Water, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	86	273	273
FEBRUARY	86	357	357
MARCH	86	380	380
APRIL	86	441	441
MAY	86	551	551
JUNE	86	684	684
JULY	86	602	602
AUGUST	86	715	715
SEPTEMBER	85	549	549
OCTOBER	84	442	442
NOVEMBER	83	415	415
DECEMBER	83	407	407
TOTAL		N/A	5866

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0047 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2002

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 1522

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>- 1194</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>- 1194</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

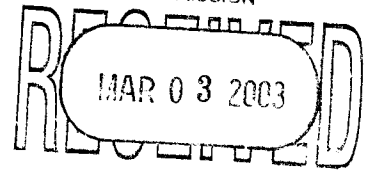
The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

2-26-03  
DATE

Nicks Reznick  
PRINTED NAME

President  
TITLE



Director of Utilities

# VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

## VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Cocconino</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Nick Reznick owner</u>
COMPANY NAME	<u>Mountain Dell Water, Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

## SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 38995

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2558  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

928-213-0501

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

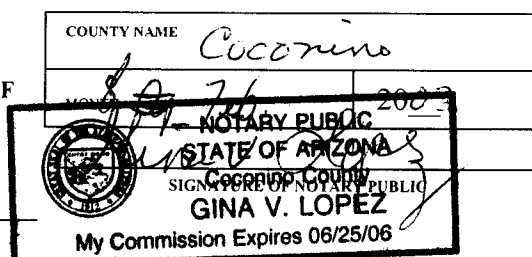
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27th

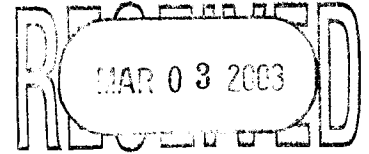
DAY OF

(SEAL)

MY COMMISSION EXPIRES 6-25-06

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



Director of Utilities

**VERIFICATION**

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

(COUNTY NAME) <u>Coconino</u>	
NAME (OWNER OR OFFICIAL) <u>Nick Reznick</u>	TITLE <u>President</u>
COMPANY NAME <u>Mountain Dell Water, Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 38995

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2558  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 27th DAY OF

(SEAL)



NOTARY PUBLIC  
STATE OF ARIZONA  
Coconino County  
GINA V. LOPEZ

MY COMMISSION EXPIRES 06/25/06

NOTARY PUBLIC NAME <u>Gina V. Lopez</u>	
COUNTY NAME <u>Coconino</u>	
MONTH <u>Feb.</u>	<u>2003</u>

X   
SIGNATURE OF NOTARY PUBLIC



**MOUNTAIN DELL WATER, INC.**

1341 W. PALMER AVE. 520-774-9550  
FLAGSTAFF, AZ 86001

5007583

3288

PAY TO THE ORDER OF Coconino County Treasurer

DATE 10-21-02

91-504/1221  
22

Fifteen Hundred twenty two and 00/100 \$ 1522.06  
DOLLARS

**STOCKMEN'S BANK**

Flagstaff Branch 22 E. Birch  
Flagstaff, Ariz. 86001

FOR 917-50-100

*Phil Smith*

⑈003288⑈ ⑆122105045⑆ 2201002801⑈

FOR DEPOSIT ONLY  
BONNY K. KRAUSE  
COCONINO COUNTY TREASURER  
4784808080

10 22 02

PAY TO THE ORDER OF  
WELLS FARGO BANK NATIONAL ASSOCIATION  
122105278

280188996 4406 4200 10 23-02

WELLS FARGO BANK NATIONAL ASSOCIATION  
TRACER# 1670  
010  
10222002

IMPORTANT: The back of this document has been padded with a patented security process in order to deter theft fraud. If you do not see the words "Security Document" and the Security V-Line pattern, do not cash. U.S. Patent No. 5,710,102